



RURAL DEVELOPMENT Vermont/New Hampshire

Volume 7

Fall/Winter 2006

Committed to the future of rural communities

MULTI-FAMILY HOUSING NEWS

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MAURICE LAROCHE HONORED BY USDA RURAL DEVELOPMENT AS SITE MANAGER OF THE YEAR

This made the 6:00 pm news on WCAX—TV! Jolinda LaClair, State Director of USDA Rural Development for Vermont and New Hampshire, presented Mr. Maurice Laroche, Site Manager of Village Green Apartments in Swanton, VT with the Site Manager of the Year Award. The presentation was made in front of family, residents of Village Green, Mary Crowley, Foxfire Management Company's Property Manager, and staff from Rural Development. He was further honored with a special plaque of appreciation from the Foxfire Management Company and a surprise potluck luncheon. Here is the published story below:

Swanton, VT: *Jolinda LaClair, State Director of USDA Rural Development for Vermont, presented Mr. Maurice Laroche, Site Manager of Village Green Apartments in Swanton, VT with the Site Manager of the Year Award. The presentation was made in front of family, residents of Village Green, Mary Crowley, Foxfire Management Company Property Manager and staff from Rural Development. He was further honored with a special plaque of appreciation from the Foxfire Management Company and a surprise potluck luncheon.*

"Maurice was nominated for this honor by the residents of Village Green Apartments and Foxfire Property Management for his invaluable performance," said Robert Cox, Director of Assisted Housing, Foxfire Property Management. "He is considered a valued asset to the community."

USDA Rural Development instituted the Site Manager of the Year Award in 1997 to recognize those individuals who perform their daily jobs in an outstanding manner. "Rural Development provides the financing needed to make affordable rural rental housing available," said LaClair. "But, it's people like Maurice Laroche



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who make the apartment complex a safe and attractive place that the residents are proud to call home."

Maurice Laroche performed all of the electrical installation at Village Green Apartments during the initial construction in 1982 and continued as the property electrician until he retired. He became a tenant at Village Green Apartments in 1999 and has been employed by Foxfire Property Management as the Site Contact since 2004.

One of the criteria that has to be met to be eligible for the site manager of the year award is tenant satisfaction. Said Evelyn, one of the tenants at Village Green, "Maurice is the very best there is. He is there for us every day. We all love him dearly." During an especially difficult time for one of the tenants who was receiving dialysis three times a week one winter, Laroche took it upon himself to ensure that the tenant's car was brushed clean of snow and the sidewalk was covered with salt before each 6 A.M. doctor's appointment.

Other criteria are curb appeal, and performance that is consistently above what is expected. "He treats Village Green as if it was his own property; constantly walking the grounds and buildings looking for things to do in order to keep the appearance and maintenance at a high level," said Cox. "He does this willingly and with much pride, never letting any tenant need or property need go unmet."

"Maurice has a genuine and sincere caring for the residents and the overall appearance of Village Green Apartments," said Tammy Surprise, Rural Development Multi-Family Housing Specialist. "He does more than what is expected of him without even thinking about it. He is a great asset to the property."

Rural Development makes loans with interest as low as 1 percent to developers of affordable rental housing. Almost 90 percent of the tenants of these properties have incomes below 50 percent of the median income in the areas in which they live. To find out more about Rural Developments Housing Programs, please call the Montpelier office at 802-828-6026 or visit the web site at <http://www.rurdev.usda.gov/vt>.

To be honored as the manager of the year from peers and residents is indeed a very special recognition! The selections over the past eight years have exemplified a high level of professionalism and human compassion. We know that there are many more employees deserving of this award and we ask rental agents/managers to consider this nomination for a deserving candidate in 2007. The process is not difficult nor time consuming, and the recognition is one that the employee and tenants will cherish for many years. We encourage all rental agents to participate in this award program. Please contact your local office for details and/or a nomination form for 2007.

NEW MFH REVITALIZATION PROGRAM

"Preservation" & "Revitalization" are the new buzz words for the Multi-Family Housing Program. This past year, RD announced a new demonstration program to preserve existing multi-family housing complexes in rural communities. The demo originally targeted a small group of states, but this year it is intended to expand nationwide. Many of our Vermont and New Hampshire properties financed in past decades remain in excellent condition; however, some are in need of modernization resulting from normal physical depreciation. Through this program, borrowers will be allowed to defer RD debt payments (RD loans made prior to October 1, 1991) and divert this cash flow to make improvements to the property. te cash flow to make improvements to the property. Additional funding opportunities are also available through soft second loans, third party loans, grants and direct MFH loans. The program can also be used for project transfers in need of equity and revitalization.

It is expected that this program will be announced again for 2007 and will be published in the Federal Register inviting applications. Our goal is to have one or two successful candidates in each state this year. We will keep you posted when the Notice of Funding Availability hits the Federal Register. If you would like more information or have questions about the program, please contact our Area offices or the State Office.

MANAGEMENT FEES FOR 2007

As a reminder, effective January 1, 2007, maximum management fees are as follows:

- Vermont - \$52.52 per occupied unit.
- New Hampshire - \$53.38 per occupied unit.

We want to clarify that with the implementation of 7 CFR 3560 and the publication of the Handbooks, which our "Regional" Policy issued September 2002 (prior to publication of 3560) for MA, CT, RI, VT, and NH for collecting and earning fees, is

null and void. This directly impacts the payment of a management fee for vacant units. The old policy allowed fees to be earned for a unit that was vacant on the first day of the month following the month in which the unit became vacant. The new 7 CFR 3560 no longer provides for payment of a management fee on vacant units. The fee is based on occupied units only. Fees cannot be earned for vacant units. Further guidance on management fees may be found in Chapter 3, Section 3 of HB-2-3560.

ANNUAL FINANCIAL REPORTING

- Things will be somewhat different than the past in terms of annual reporting. We would like to outline once again the new Financial Reporting Requirements for all borrowers. These new requirements became effective for any borrowers having fiscal years ending June 30, 2006 and thereafter. The reg reference is : 7 CFR 3560.308 and the Handbook reference is in Section 4.32 of HB-2-3560

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All Borrowers must submit the following:

- Form RD 3560-7, Multiple Family Housing Project Budget/ Utility Allowance
- Form RD 3560-10, Balance Sheet
- Certification that real estate taxes have been paid
- Certificate of Performance Standards – Exhibit 4-7 in HB-2-3560

Note: Each standard must be addressed

- If an audit is obtained independently, the agency must also get a copy

For **Larger** Projects (16 units or more) you must also submit:

- Agreed Upon Procedures – Exhibit 4-6 and Attachment 4-B in HB-3560-2

Note: Each agreed upon procedure must be addressed

State and Local Governments and Nonprofit Organizations who are **subject** to OMB Circular A-133 will not be required to do the agreed upon procedures but must have audited financial statements and provide minutes of the annual meeting. State and Local Governments or Nonprofit Organizations who are **not subject** to OMB Circular A-133 must comply with the RD annual financial reporting requirements based on the respective size of their complex.

Additional Notes:

- Financial reports are due within 90 days of the end of the project's fiscal year
- For projects with 8 or more units, financial reports must be submitted electronically through MINC for fiscal years ending December 31, 2006 and thereafter.

RESERVE ACCOUNTS AND WITHDRAWALS

We need to clarify when bids are required for improvements. If the amount exceeds \$3500, two bids are required for all projects. If there is an Identity of Interest (IOI), the process requires two bids (in addition to the IOI bid) for all proposals regardless of the amount. Bids are assembled by the owner/manager and presented to RD along with the scope of work.

RENTAL ASSISTANCE AND EXPIRING CONTRACTS

The agency for 2007 is renewing expired contracts for one year. Previous renewals were for 4 year terms. The agency is also monitoring RA very closely and is emphasizing the need to fully utilize all rental assistance units within our portfolio. If you have unused RA that you will not be using, please contact your Area Office. If RA is not used over a 6 month period, we must redistribute the unused RA to another project within the state in the following order:

1. Preservation and revitalization transactions by date of application;
2. Repair/rehabilitation loans;
3. Complex (s) where the tenant (s) is paying the highest percentage of their income towards rent (w/o other forms of subsidy) within the State;
4. Complex (s) with the highest consistent vacancy percentage within the last six (6) months. Borrower documentation of aggressive marketing efforts will be required (findings, violations, physical condition of complex, and compliance issues will all be considered).

The Area Office will consult with the State Office, Housing Program Division for determining the assignment and transfer of unused RA to be used for Preservation and Repair Loan transactions.

MINC ISSUES

There are still several management companies experiencing late charges on their project worksheets due to late tenant certification transmissions. Again, we would like to remind you of the importance of following up on your tenant certification transmissions through MINC. You may refer to the MINC Training Handbook located on the MINC Home Page for further guidance.

Once you have submitted the transmission, you should receive a File Transfer Confirmation Page. If you do not see this document, the file did transmit to USDA. Once you have received this page, PRINT THIS DOCUMENT for your records. This will assist in tracing your file. After the transaction processes, the system will send an email listing showing the transmission was received and processed. REVIEW this email listing to verify that all tenant data was accepted. Finally, PREVIEW your project worksheet before the 10th of the month.

WAITING LIST

Be sure to place all applications received on your waiting list regardless if it is complete or incomplete. The waiting list must document final disposition of all applications—rejected, withdrawn, eligible, placed in unit, etc. Additionally, the date and time an application is complete will establish priority for selection from the list. For incomplete applications, applicants must be given 10 days to submit the items necessary to complete the application before it is withdrawn. Applicants need to understand that priority for a unit will not be established until the additional items are received.

We also want to remind you that HB-2-3560 requires that race and ethnicity of each applicant shall be collected on applications and recorded on your waiting list (HB-2-3560 6.18).

Thanks for reading our newsletter!

WISHING EVERYONE A SAFE AND HAPPY HOLIDAY SEASON !